

James Robert Lay:

So I got an email from Paul, who saw one of my recent keynote sessions at a conference and he asked me, he said, How exactly can my bank move forward to build what you call a digital growth engine? You touched on this in your session, but you didn't go deep enough for me? Well, that is a fantastic question, Paul, and one that I look forward to answering for you on today's episode of banking on digital growth.

Greetings, and Hello, my name is James Robert Leigh, and I'd like to welcome you to another episode of the banking on digital growth podcast. Today's episode is part of the inside digital growth series where today I'm going to answer a question from Paul who saw me speak at a recent conference where I gave a keynote and Paul sent me an email he was asking, how exactly can my bank move forward to build this thing that I was talking about called a digital growth engine? Paul mentioned that I touched on the idea. It resonated with him, but I didn't go deep enough. And he wants me to expand further on my thoughts here. And so this is a great question, Paul. Because a digital growth engine is one of the core strategic elements that is required for a financial brand for a bank for a credit union, for a FinTech, even to level up loans and deposits in the age of AI. And that's why in this podcast, I'm going to show you exactly how you can make the most the most of the most important technology that you need to build a digital growth engine and this technology. It's not what you think it is.

But first, I'd like to invite you to hit the subscribe button. If you're watching this podcast on YouTube. Or if you're tuned in listening to one of the many podcast players this podcast streams on throughout the world. Because when you hit the subscribe button, you instantly become part of an ever growing community of financial brand leaders. We're all committed, we're all committed to learning how to maximize growth, how to level up loans and deposits by guiding people in the communities that we serve beyond financial stress towards an even bigger, better and brighter future. I want to get back to Paul's question about the most important technology that you need to build a digital growth engine to level up loans and deposits in the age of AI. And to put your mind at ease. The good news here is you do not have to go out and buy or acquire any new fancy, expensive technology to build a digital growth engine to begin with in the first place.

I want to tell you a story. It's very hard to believe at this point at this day and age, this time period. The company that invented the digital camera was in fact Kodak. And they did this all the way back in 1975. Obviously, from a quality standpoint, the the first digital camera was not there yet it took pictures that were only 10,000 pixels. So in today's terminology, that would be 0.01 megapixels, not exactly crystal clear. But they had the technology. And they didn't stop there. They actually kept investing in the technology. And they were patenting different innovations along the way. In fact, one of the many camera technologies that that we use today in the present moment was created by Kodak all the way back then. So the question is, what exactly happened? Because later on the moment that when it really counted, Kodak ended up putting all of their digital camera concepts and innovations on the back burner. Why though? Why would they do that? Well, because they continued to build their business around the physical and the tangible world of film.

Think about your bank or credit union for a moment. When you think about future growth, right now, in the present moment. Are you thinking about growth? From a physical world, rooted in branches rooted in even broadcast marketing? Maybe? Or are you thinking about growth from a digital first perspective? Where the physical world the branches support growth in a digital world? Where's your focus? What's your attention on? And where's your mindset about future growth right now, in the present moment. Here's here's why this is important because despite the fact that in 1995 Kodak did finally actually bring

their digital camera to market and they were even market leader at the time. Because they got into the game the digital game before others did. Their dominance did not last long. Long. And that's because they didn't take advantage of their early entry into the marketplace. The problem is they were stuck in the present moment, making strategic decisions that were informed by the past. They weren't proactively planning for future growth. codecs, growth, at the time, was far too dependent on the legacy model of the physical world, the film, the printing, not the intangible digital world. So why, why did they not embrace and really more specifically go all in on digital, particularly when they had the technology before anyone else? Here's the crux. If they had done that, it would have meant cannibalizing their own business model. Therefore, there was never really any incentive for them to continue to invest in the future. Because if they had done so, it would have come from a perspective of it being a cost. future growth being a cost, future growth being a cost in the present moment, does that sound familiar? This is why the most important technology that you must learn to master in the age of AI to build a digital growth engine, it's not AI, it's not automation, start even digital has nothing to do with data has nothing to do with analytics, the most important technology that you as a financial brand leader at your bank, at your credit, and at your FinTech, the most important technology that you must master in the age of AI to build a digital growth engine to level up loans and deposits. It sits right here between your ears. The most important technology that you must master is your mind. Or to be even more specific, your mind set. Just pause and think for a moment. You could or maybe you already have gone out and acquired the latest, greatest, fancy, most expensive technology. But either your mindset or the mindset of others on your team when it comes to future growth. It's rooted in the past.

So I want to tell you another story. Take you back to the past August 29 1997, in Scotts Valley, California. That was the day that the way that we would go on to consume media right now in the present moment, was about to be forever transformed. When Netflix was founded. Of course, Netflix started out in the physical world directed direct mail to DVD delivery model. And their focus, their primary focus at the time was solving a common problem that was causing common people pain, which was the dreaded late fee. Go back in your mind just a bit to the mid to late 90s. And think about where you'd be on a Friday or a Saturday evening. If you were like me, it was a blockbuster. And you're looking for a movie to rent and watch over the weekend. The problem was though, is you'd have to hustle back to return that movie in the next couple of days. Or if it was a new release, you got to take that back next day. And if you did it, you got hit with that late fee. Once again, I think there's another parallel here when it comes to banking. Because all of the fees that financial brands hit their account holders with for, quote unquote, bad behavior. So this is where FinTech kinda like Netflix did. They've entered into the scene to solve common problems that cause common people pain when it comes to money.

So I want to get back to the story of of Netflix, and how the role of mindset helped them avoid getting stuck in the present by making decisions that were informed and based on their past success. That's because Netflix had the courage to commit to transform their entire business model their entire growth model by putting literally everything at risk for the previous 10 years when they were founded in 1997. Because a decade later, in 2007. They made a commitment to invest in the technology of streaming based upon the projection of transforming consumer behavior. Think about what was going on in 1997 to 2007 more specifically 2007 It truly was a transformative year. That was the year that Steve Jobs launched the iPhone. In 2007. YouTube was only two years old it was in its infancy. In fact, when Netflix transformed their business model to be streaming first, or from the lens of financial services and banking to be Digital First, many consumers many people hated their decision. And to make matters even worse, their on demand streaming service that at the time was named quote unquote Watch now, it only worked on PCs and Internet Explorer. But if you flash forward to today,

Netflix made another transformation another transformative move when it came to future growth. Because on February 1 2013, that was the day that Netflix became a media production company when they released House of Cards. This was the very first quote unquote, Netflix original production. And so by going all in, and investing in technology, rooted at the transformation, the ongoing transformation of consumer behavior, Netflix transformed their business and their growth model not just once, but twice in the past 25 years. Of course, this takes a tremendous amount of courage. It takes commitment, because Kodak on the other hand, they had the technology from the very beginning. They had the digital camera technology from the very beginning, but they failed to invest and maximize its potential.

So what's the lesson that we can take from these these two contrasting stories when it comes to your financial brand, your bank, your credit union, or FinTech to build a digital growth engine to level up loans and deposits over the months and even the years to come? Transformative growth, transformative growth going forward into the future comes down to mastering just one technology. And two technologies that you must master that your team must master. And that technology, once again is your mind, or even more deeply your mind set. That's because what got each and every single one of us here, myself included. What got each and every single one of us here to where we are today. It will not get us to where we need to be aware we need to go tomorrow. And letting go. Letting go to grow can be extremely challenging. This is one of the reasons I fall back into Socratic wisdom. We're Socrates defined wisdom, as essentially, I know, I know nothing. Because when we're moving forward into an exponential age of AI, we're going to have to let go of what we know to continue to grow going forward into the future.

So as we start to wrap up, how can you practically begin to master your mind and your mindset in the age of AI first, so that second, you can continuously master new technologies that we in many cases can't even begin to perceive today? It all comes down to it really asking just one simple question, ask yourself this question. Ask your team this question. How do you want to grow? G R. O? How do you want to grow? Grow is an acronym for goals for roadblocks for opportunities. And to practically apply this one simple but truly transformative question, I want you to leap ahead in your mind three years, from where we are here today, when you're listening to this podcast, leap ahead in your mind, you're in a really good place, you're in a positive place. You and I, we either meet for coffee, we meet for cocktails. And I ask you what's happened for you over the past three years for you to feel good about the progress that you've made along your own journey of digital growth. So you stop you pause, you think you take a sip of your coffee or cocktail reflecting back in your mind over all the progress that you've made since you first listen to this podcast. Just take a moment to take a minute and write down all of the points of progress that you've made from a future state of mind. What have you done, literally leap ahead in your mind and look back? What have you done? What have you accomplished? What have you achieved over the past three years looking back to today? Now once you write that future perspective, these are your goals for growth. And now you can bring your mind your mindset back to the present moment. And this is where things get really interesting. Because what are the roadblocks? What are the roadblocks that you can perceive right now in the present moment that could prevent you from moving Bored, that could prevent you from making progress towards the goals for growth that you just wrote down from a future state of mind. This is where the real transformative growth happens because the mind cannot ignore a question. The mind cannot ignore solving problems. And when we identify roadblocks in the present moment, this brings us to the last point of the question how you want to grow the opportunities. So, look at all the roadblocks that you just wrote down, that could trip you up along your digital growth journey. For every single roadblock. I want you to think of an opportunity that is available for you to either create, capture or capitalize on so that you could overcome each one of the roadblocks that you've written down, ensuring that you will move forward and most importantly, make progress towards

your goals for growth. That is the key progress here is greater than perfection and simply creating space and time to create the future. Right now in the present moment to create the future, in your mind, is a very simple, yet truly transformative exercise that you can commit to take first as a leader, and then guide your team through the same exact question. And then from there together, you all move forward, unified, you all move forward to take action, to capture to create or capitalize on the opportunities to overcome your roadblocks to move forward towards your goals for growth growth. As you build a digital growth engine, this is how you continuously level up loans and deposits in the age of AI. This is why the most important technology to master in the age of AI is your mind and your mindset. If you have a question like Paul, text your question to me 832-549-5792 text your question to 8325495 72 and I look forward to answering it for you on an upcoming podcast episode. Until next time, and as always, be well. Do good and be the light